



Agency Legislative Proposal - 2022 Session

Document Name: 10821_DRS_recommendations Revised

(If submitting electronically, please label with date, agency, and title of proposal – 092621_SDE_TechRevisions)

State Agency: Department of Revenue Services

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Lead agency division requesting this proposal: Office of the Commissioner/Legal Service Bureau

Agency Analyst/Drafter of Proposal: Louis Bucari

Title of Proposal: AAC Revisions to Title 12 and Other Changes Requested by the DRS.

Statutory Reference: 12-736, 12-704, 12-732(b), 12-39f, 29-18b, 12-415, 12-416, 12-417, 12-418, 12-419, 12-35, 12-35h, 53a-3(9), 53a-19(b), 53a-22 and 53a-22 as amended, 53a-23, 53a-167a, 53a-167b, 12-392(b)(3)(J), 12-643, 12-39o, 12-704c and several new provisions.

Proposal Summary: [Click here to enter text.](#)

Section 1: Amends Conn. Gen. Stat. § 12-736 so as to conform to Conn. Gen. Stat. § 12-414a.

This change will provide consistency between these responsible person provisions;

Sections 2 and 3: Corresponding amendments to Conn. Gen. Stat. § 12-704 and Conn. Gen. Stat. § 12-732(b) to authorize claims for refund due to changes made by another jurisdiction;

Section 4: Limitation of interest paid (where applicable) on refunds issued by the Department;

Section 5: Limitation on claims for refund for closed audit periods;

Section 6: Authorization to share return information with local police departments;

Sections 7 - 11: Authorize the Commissioner to audit and reaudit (for sales tax purposes) as said Commissioner deems necessary within applicable statute of limitation;

Section 12: Imposes a ten year statute of limitations on all collections actions;

Section 13: Authorizes the Department to sell its outstanding debt;

Section 14: Authorizes the Department to hire vendors to pursue out-of-state collection;

Section 15 - 21: Amend Conn. Gen. Stat. § 53a-3 (and corresponding provisions) to expand the scope of officer protection afforded the special agents at the Department of Revenue Services;

Section 22: Codifies that a pass-through entity may file a composite income tax return on behalf of its nonresident members or partners;

Sections 23 - 25: Technical revisions to the provisions of the Estate and Gift Tax to conform to the thresholds in Public Act 18-81;

Section 26: Permit/license limitation for any business for which an owner owes a tax debt;



Section 27: Establish a taskforce to examine the potential of a part-time resident status in Connecticut;

Section 28: Mandate the Department to conduct a study of all taxes and fees currently administered by the Department; and

Section 29: Revises the income tax credit for individuals who pay the 2.25% real estate conveyance tax rate on properties in excess of \$2.5M. This change also comports with the adopted fiscal note.

PROPOSAL BACKGROUND

◇ Reason for Proposal

Please consider the following, if applicable:

- (1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary?*
- (2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)? Are other states considering something similar this year?*
- (3) Have certain constituencies called for this action?*
- (4) What would happen if this was not enacted in law this session?*

[Click here to enter text.](#)

◇ Origin of Proposal

☒ New Proposal

☒ Resubmission

If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?*
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?*
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?*
- (4) What was the last action taken during the past legislative session?*

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PROPOSAL IMPACT



◇ **AGENCIES AFFECTED** *(please list for each affected agency)*

Agency Name: Agency Contact (name, title, phone): Click here to enter text. Date Contacted:
Approve of Proposal <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing
Summary of Affected Agency's Comments Click here to enter text.
Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO

◇ **FISCAL IMPACT** *(please include the proposal section that causes the fiscal impact and the anticipated impact)*

Municipal <i>(please include any municipal mandate that can be found within legislation)</i> Click here to enter text.
State Potential revenue gain.
Federal Click here to enter text.
Additional notes on fiscal impact Click here to enter text.

◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

Click here to enter text.

◇ **EVIDENCE BASE**

<p>What data will be used to track the impact of this proposal over time, and what measurable outcome do you anticipate? Is that data currently available or must it be developed? Please provide information on the measurement and evaluation plan. Where possible, those plans should include process and outcome components. Pew MacArthur Results First evidence definitions can help you to establish the evidence-base for your program and their Clearinghouse allows for easy access to information about the evidence base for a variety of programs.</p> <p>Click here to enter text.</p>
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An Act Concerning Revisions to Title 12 and Other Changes Requested by the Department of Revenue Services.

Sec. 1. Section 12-736 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective upon passage*):

(a) Any person required to collect, truthfully account for and pay over the tax imposed under this chapter who wilfully fails to collect such tax or truthfully account for and pay over such tax or who wilfully attempts in any manner to evade or defeat the tax or the payment thereof, shall, in addition to other penalties provided by law, be liable for a penalty equal to the total amount of the tax evaded, or not collected, or not accounted for and paid over, including any penalty or interest attributable to such wilful failure to collect or truthfully account for and pay over such tax or such wilful attempt to evade or defeat such tax. The amount of a penalty for which a person may be personally liable under this section shall be collected in accordance with the provisions of section 12-734.

(b) Any person who with fraudulent intent shall fail to pay, to deduct or to withhold and pay any tax, to make, render, sign or certify any return or to supply any information within the time required by or under this chapter shall be subject to a penalty of not more than one thousand dollars, in addition to any other amounts required under this chapter to be imposed, assessed and collected by the commissioner.

Sec. 2. Subdivision (1) of subsection (b) of section 12-704 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to taxable years commencing on or after January 1, 2022*):

(b) (1) (A) If, as a direct result of (i) the change to or correction of a taxpayer's income tax return filed with another state of the United States or a political subdivision thereof or the District of Columbia by the tax officers or other competent authority of such jurisdiction, or (ii) a taxpayer paying an assessment issued against the taxpayer by the tax officers or other competent authority of such jurisdiction for any taxable year for which the taxpayer has not filed an income tax return with such jurisdiction, the amount of tax of such other jurisdiction that the taxpayer is finally required to pay is different from the amount used to determine the credit allowed to any taxpayer under this section for any taxable year, the taxpayer shall provide notice of such difference to the commissioner by filing, on or before the date that is ninety days after the final determination of such amount, an amended return under this chapter, and shall concede the accuracy of such determination or state wherein it is erroneous. The commissioner may redetermine, and the taxpayer shall be required to pay, the tax for any taxable year affected, regardless of any otherwise applicable statute of limitations.

(B) If a taxpayer files an amended return under this subdivision as a direct result of the taxpayer paying an assessment as set forth in subparagraph (A)(ii) of this subdivision, the taxpayer shall not be



eligible for a refund if the amended return is filed more than five years after the original due date of the taxpayer's Connecticut income tax return, even if such amended return is filed within the time prescribed under subdivision (2) of subsection (b) of section 12-732, as amended by this act.

Sec. 3. Subsection (b) of section 12-732 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage and applicable to taxable years commencing on or after January 1, 2022*):

(b) (1) Notwithstanding the three-year limitation provided by subsection (a) of this section, if a taxpayer has timely complied with the requirements of subsection (b) of section 12-727, and, as a direct result of the change to or correction of the taxpayer's federal income tax return by the United States Internal Revenue Service or other competent authority, or as a direct result of a renegotiation of a contract or subcontract with the United States, the tax that has previously been reported to be due on a tax return under this chapter has been overpaid, or as a direct result of an amendment by the taxpayer of the taxpayer's federal income tax return, the tax that has previously been reported to be due on a tax return under this chapter has been overpaid, any claim for refund subsequently filed by such taxpayer will be deemed to be timely filed.

(2) Notwithstanding the three-year limitation provided by subsection (a) of this section, if a taxpayer has timely complied with the requirements of subsection (b) of section 12-704, as amended by this act, and, as a direct result of (A) the change to or correction of taxpayer's income tax return by the tax officers or other competent authority of another state of the United States or a political subdivision thereof or the District of Columbia, the tax that has previously been reported to be due on a tax return under this chapter has been overpaid, [or as a direct result of] (B) an amendment by the taxpayer of the taxpayer's income tax return to another state of the United States or a political subdivision thereof or the District of Columbia, the tax that has previously been reported to be due on a tax return under this chapter has been overpaid, or (C) a taxpayer paying an assessment issued against the taxpayer by the tax officers or other competent authority of another state of the United States or a political subdivision thereof or the District of Columbia for any taxable year for which the taxpayer has not filed an income tax return with such jurisdiction, the tax that has previously been reported to be due on a tax return under this chapter has been overpaid, any claim for refund subsequently filed by such taxpayer will be deemed to be timely filed.

Sec. 4. Section 12-39f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of making payment of any refund as provided in this title on account of any tax, or penalty or interest thereon, paid to the state, the Comptroller, upon certification by the Commissioner of Revenue Services, is authorized to draw on the Treasurer in the amount of such refund and the Treasurer shall pay the amount thereof from the fund to which such tax, penalty or interest is credited.



(b) Notwithstanding any provision of law, interest added to a refund of tax issued by the Commissioner of Revenue Services for a tax period shall not exceed five million dollars, and no court may award interest in connection with a claim for refund of tax for a tax period in any tax appeal in excess of five million dollars.

Sec. 5. (NEW) (*Effective upon passage*): (a) Notwithstanding any provision of the general statutes, and subject only to the provisions of subsection (b) hereof, where the results of any civil audit, investigation, examination or reexamination conducted by the Commissioner of Revenue Services have become final by operation of law or by exhaustion of all available administrative and judicial rights of appeal, the period covered by such audit, investigation, examination or reexamination shall be closed and the taxpayer may not file any additional claims for refund for such period.

(b) For any period where the results of any civil audit, investigation, examination or reexamination conducted by the Commissioner have become final by operation of law or the associated administrative or judicial rights have been exhausted, a taxpayer may file a claim for refund for said period provided said claim is filed within six months of the expiration or exhaustion of said rights. The provisions of this section shall not impact claims for refund authorized under the provisions of sections 12-226, 12-704, as amended by this act, and 12-727 of the general statutes.

Sec. 6. Section 29-18b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective upon passage*):

(a) The Commissioner of Emergency Services and Public Protection may appoint persons nominated by the Commissioner of Revenue Services to act as special policemen in the Department of Revenue Services. Such appointees shall serve at the pleasure of the Commissioner of Emergency Services and Public Protection and, during such tenure, shall have all the powers conferred on state policemen. Such special policemen shall, in addition to their duties with said department, be subject to call by the Commissioner of Emergency Services and Public Protection for such emergency service as the Commissioner of Emergency Services and Public Protection may prescribe.

(b) Notwithstanding the provisions of 12-15 of the general statutes, the Commissioner of Revenue Services, may, subject to such terms and conditions as the commissioner may prescribe, disclose return or return information, as such terms are defined in section 12-15, to an authorized member of an organized local police department, upon written request by the head of such department. Such written request shall establish the relevance of such return or return information to an authorized investigation into a violation of any criminal law of this state being conducted by the organized local police department, and shall establish that no other source of such information is available to such department. Such written request must also contain the name of each member of the organized local police department who will be authorized to receive such information. If the commissioner deems such return or return information to be relevant to the investigation being conducted by the organized local police department, the commissioner may disclose such information to said department. Any member of an organized police department who receives any return or return information pursuant to a proper request under this section shall be prohibited from further disclosure of such information, except in



connection with a criminal prosecution, including any judicial proceeding related thereto, when such information is directly involved in and necessary to such prosecution. Any person who violates any provision of this section shall be fined not more than one thousand dollars or imprisoned not more than one year, or both.

(c) Special policemen in the Department of Revenue Services may, in connection with their official duties relating to any criminal tax investigation, disclose return information to the extent that such disclosure is necessary in obtaining information, which is not otherwise reasonably available, with respect to the enforcement of any criminal law of this state.

Sec. 7. Section 12-415 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) If the commissioner is not satisfied with the return or returns of the tax or the amount of tax required to be paid to the state by any person, the commissioner may compute and assess or reassess the amount required to be paid upon the basis of the facts contained in the return or returns or upon the basis of any information which is in or that may come into the commissioner's possession. [Except in the case of fraud or intent to evade or in the case of new information that may come into the commissioner's possession, the commissioner may not make more than one assessment for a tax period for which a return has been filed.]

(b) The amount of the assessment or reassessment, exclusive of penalties, shall bear interest at the rate of one per cent per month or fraction thereof from the last day of the month succeeding the period for which the amount or any portion thereof should have been returned until the date of payment.

(c) When it appears that any part of the deficiency for which a deficiency assessment or reassessment is made is due to negligence or intentional disregard of the provisions of this chapter or regulations promulgated thereunder, there shall be imposed a penalty equal to fifteen per cent of the amount of such deficiency assessment or reassessment, or fifty dollars, whichever is greater.

(d) When it appears that any part of the deficiency for which a deficiency assessment or reassessment is made is due to fraud or intent to evade the provisions of this chapter or regulations promulgated thereunder, there shall be imposed a penalty equal to twenty-five per cent of the amount of such deficiency assessment or reassessment. No taxpayer shall be subject to a penalty under both subsection (c) of this section and this subsection in relation to the same tax period.

(e) The commissioner shall give to the retailer or person storing, accepting, consuming or otherwise using services or tangible personal property written notice of the commissioner's assessment or reassessment. The notice may be served personally or by mail. If by mail, it shall be addressed to the retailer or person storing, accepting, consuming or otherwise using services or tangible personal property at the address as it appears in the records of the commissioner's office.

(f) Except in the case of fraud, intent to evade this chapter or authorized regulations, failure to make a return, or claim for additional amount pursuant to subdivision (3) of section 12-418, every notice of a deficiency assessment or reassessment shall be mailed within three years after the last day of the



month following the period for which the amount is proposed to be assessed or within three years after the return is filed, whichever period expires later. The limitation specified in this subsection does not apply in case of a sales tax proposed to be assessed or reassessed with respect to sales of services or property for the storage, acceptance, consumption or other use of which notice of a deficiency assessment or reassessment has been or is given pursuant to subsection (e) of this section, subsection (c) of section 12-416, subdivision (1) of section 12-417 and this subsection. The limitation specified in this subsection does not apply in case of an amount of use tax proposed to be assessed or reassessed with respect to storage, acceptance, consumption or other use of services or property for the sale of which notice of a deficiency assessment or reassessment has been or is given pursuant to said subsections and this subsection.

(g) If, before the expiration of the time prescribed in subsection (f) of this section for the mailing of a notice of deficiency [determination] assessment or reassessment, the taxpayer has consented in writing to the mailing of the notice after such time, the notice may be mailed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

Sec. 8. Section 12-416 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective upon passage*):

(a) If any person fails to make a return, the commissioner shall make an estimate of the amount of the gross receipts of the person or, as the case may be, of the amount of the total sales price of services or tangible personal property sold or purchased by the person, the storage, acceptance, consumption or other use of which in this state is subject to the use tax. The estimate shall be made for the period or periods in respect to which the person failed to make a return and shall be based upon any information which is in or may come into the commissioner's possession. To the tax imposed upon the basis of such estimate, there shall be added an amount equal to fifteen per cent of such tax, or fifty dollars, whichever is greater. No person shall be subject to a penalty under both this section and section 12-419. [Except in the case of new information that may come into the commissioner's possession, the commissioner] The Commissioner may [not] make more than one assessment for a tax period for which a tax return has not been filed.

(b) The amount of the assessment shall bear interest at the rate of one per cent per month or fraction thereof from the last day of the month succeeding the period for which the amount or any portion thereof should have been returned until the date of payment.

(c) Promptly after making the assessment the commissioner shall give to the person written notice of the estimate, assessment and penalty, the notice to be served personally or by mail in the manner prescribed for service of notice of a deficiency assessment. Nothing in this section precludes the commissioner from issuing a deficiency assessment or reassessment under the provisions of section 12-415 of the general statutes for any period for which the commissioner issues a written notice of estimate, assessment and penalty under this section.



Sec. 9. Section 12-417 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective upon passage*):

(1) If the commissioner believes that the collection of any tax or any amount of tax required to be collected and paid to the state or of any assessment will be jeopardized by delay, the commissioner shall make an assessment or reassessment of the tax or amount of tax required to be collected, noting that fact upon the assessment or reassessment and serving written notice thereof, personally or by mail, in the manner prescribed for service of notice of a deficiency assessment or reassessment, on the person against whom the jeopardy assessment or reassessment is made. Ten days after the date on which such notice is served on such person, such notice shall constitute a final assessment or reassessment except only for such amounts as to which such person has filed a written [petition for reassessment] protest with the commissioner, as provided in subdivision (3) of this section.

(2) The amount assessed or reassessed is due and payable no later than the tenth day after service of the notice of assessment or reassessment, unless on or before such tenth day the person against whom such assessment or reassessment is made has obtained a stay of collection, as provided in subdivision (3) of this section. To the extent that collection has not been stayed, the commissioner may enforce collection of such tax by using the method provided in section 12-35 or by using any other method provided for in the general statutes relating to the enforced collection of taxes, provided, if the amount of such tax has been definitely fixed, the amount so fixed shall be assessed and collected, and if the amount of such tax has not been definitely fixed, the commissioner shall assess and collect such amount as, in the commissioner's opinion, from the facts available to the commissioner, is sufficient. If the amount specified in the notice of jeopardy assessment or reassessment is not paid on or before the tenth day after service of notice thereof upon the person against whom the jeopardy assessment or reassessment is made, the delinquency penalty and the interest provided in section 12-419 shall attach to the amount of the tax or the amount of the tax required to be collected.

(3) The person against whom a jeopardy assessment or reassessment is made may file a [petition for the reassessment] protest thereof, pursuant to section 12-418, with the commissioner on or before the tenth day after the service upon such person of notice of the jeopardy assessment or reassessment. Such person may obtain a stay of collection of the whole or any part of the amount of such jeopardy assessment or reassessment by filing with the commissioner, on or before such tenth day, a bond of a surety company authorized to do business in this state or other security acceptable to the commissioner in such an amount not exceeding double the amount as to which the stay is desired, as the commissioner deems necessary to ensure compliance with this chapter, conditioned upon payment of as much of the amount, the collection of which is stayed by the bond, as is found to be due from such person. The security may be sold by the commissioner in the manner prescribed by section 12-430. At any time thereafter in respect to the whole or any part of the amount covered by the bond, such person may waive the stay, and if as the result of such waiver, any part of the amount covered by the bond is paid, the bond shall, at the request of such person, be proportionately reduced.

Sec. 10. Section 12-418 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective upon passage*):



(1) (A) Any person against whom an assessment or reassessment is made under section 12-414a, 12-415, 12-416 or 12-424 or any person directly interested may [petition for a reassessment] file a protest not later than sixty days after service upon such person of notice thereof. If a [petition for reassessment] protest is not filed within the sixty-day period, the assessment or reassessment becomes final at the expiration of the period.

(B) Any person against whom an assessment or reassessment is made under section 12-417 or any person directly interested may [petition for a reassessment] protest not later than ten days after service of notice upon such person. If a [petition for a reassessment] protest is not filed within such ten-day period, the assessment or reassessment becomes final at the expiration of the period.

(2) If a [petition for a reassessment] protest is filed within the sixty-day period, in the case of an assessment or reassessment made under section 12-414a, 12-415, 12-416 or 12-424, or within the ten-day period, in the case of an assessment or reassessment made under section 12-417, the commissioner shall reconsider the assessment or reassessment and, if the person has so requested in the [petition] protest, shall, in the commissioner's discretion, grant the person an oral hearing and shall give such person ten days' notice of the time and place of the hearing. The commissioner may continue the hearing from time to time, as may be necessary, and may assign the conduct of such hearing to a representative of the commissioner.

(3) The commissioner may decrease or increase the amount of the assessment or reassessment before it becomes final, but the amount may be increased only if a claim for the increase is asserted by the commissioner at or before the hearing.

(4) The order or decision of the commissioner upon a [petition for a reassessment] protest becomes final one month after service upon the petitioner of notice thereof unless within such period the petitioner seeks judicial review of the commissioner's order or decision pursuant to section 12-422.

(5) All assessments or reassessments made by the commissioner under section 12-414a, 12-415, 12-416 or 12-424 are due and payable at the time they become final.

(6) Any notice required by this section shall be served personally or by mail in the manner prescribed for service of notice of a deficiency assessment.

Sec. 11. Section 12-419 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective upon passage*):

(a) Any person, other than an individual making purchases for personal use or consumption and not making purchases for use or consumption in carrying on a trade, occupation, business or profession, who fails to pay any tax to the state or any amount of tax required to be collected and paid to the state, except amounts of assessments or reassessments made by the commissioner under sections 12-415 and 12-416, within the time required shall pay, in addition to such tax or such amount of tax required to be collected and paid, a penalty of fifteen per cent of the tax or fifty dollars, whichever amount is greater, plus interest on such tax or such amount of tax required to be collected and paid at the rate of one per cent per month or fraction thereof from the due date to the date of payment.



(b) Any individual making purchases for personal use or consumption and not making purchases for use or consumption in carrying on a trade, occupation, business or profession who fails to pay use tax to the state, except amounts of assessments or reassessments made by the commissioner under sections 12-415 and 12-416, within the time required shall pay, in addition to such tax, a penalty of ten per cent of the tax, plus interest on such tax at the rate of one per cent per month or fraction thereof from the due date of such tax to the date of payment.

(c) Subject to the provisions of section 12-3a, the commissioner may waive all or any part of the penalties provided under this chapter when it is proven to the satisfaction of the commissioner that failure to pay any tax was due to reasonable cause and was not intentional or due to neglect.

Sec. 12. Section 12-35 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Wherever used in this chapter, unless otherwise provided, "state collection agency" includes the Treasurer, the Commissioner of Revenue Services and any other state official, board or commission authorized by law to collect taxes payable to the state and any duly appointed deputy of any such official, board or commission; "tax" includes not only the principal of any tax but also all interest, penalties, fees and other charges added thereto by law; and "serving officer" includes any state marshal, constable or employee of such state collection agency designated for such purpose by a state collection agency and any person so designated by the Labor Commissioner. Upon the failure of any person to pay any tax, except any tax under chapter 216, due the state within thirty days from its due date, the state collection agency charged by law with its collection shall add thereto such penalty or interest or both as are prescribed by law, provided, if any statutory penalty is not specified, there may be added a penalty in the amount of ten per cent of the whole or such part of the principal of the tax as is unpaid or fifty dollars, whichever amount is greater, and provided, if any statutory interest is not specified, there shall be added interest at the rate of one per cent of the whole or such part of the principal of the tax as is unpaid for each month or fraction thereof, from the due date of such tax to the date of payment. Upon the failure of any person to pay any tax, except any tax under chapter 216, due within thirty days of its due date, the state collection agency charged by law with the collection of such tax may make out and sign a warrant directed to any serving officer for distraint upon any property of such person found within the state, whether real or personal. An itemized bill shall be attached thereto, certified by the state collection agency issuing such warrant as a true statement of the amount due from such person. Such warrant shall have the same force and effect as an execution issued pursuant to chapter 906. Such warrant may be levied on any real property or tangible or intangible personal property of such person, and sale made pursuant to such warrant in the same manner and with the same force and effect as a levy of sale pursuant to an execution. In addition thereto, if such warrant has been issued by the Commissioner of Revenue Services, his deputy, the Labor Commissioner, the executive director of the Employment Security Division or any person in the Employment Security Division in a position equivalent to or higher than the position presently held by a revenue examiner four, said serving officer shall be authorized to place a keeper in any place of business and it shall be such keeper's duty to secure the income of such business for the state and, when it is in the best interest of the state, to force cessation of such business operation. In addition, the Attorney General may collect any such tax by civil action. Each serving officer so receiving a warrant shall make a return with respect to such warrant to the appropriate collection agency



within a period of ten days following receipt of such warrant. Each serving officer shall collect from such person, in addition to the amount shown on such warrant, his fees and charges, which shall be twice those authorized by statute for serving officers, provided the minimum charge shall be five dollars and money collected pursuant to such warrant shall be first applied to the amount of any fees and charges of the serving officer. In the case of an employee of the state acting as a serving officer the fees and charges collected by such employee shall inure to the benefit of the state. For the purposes of this section, "keeper" means a person who has been given authority by an officer authorized to serve a tax warrant to act in the state's interest to secure the income of a business for the state and, when it is in the best interest of the state, to force the cessation of such business's operation, upon the failure of such business to pay taxes owed to the state.

(b) (1) Any such warrant on any intangible personal property of any person may be served by mailing a certified copy of such warrant by certified mail, return receipt requested, to any third person in possession of, or obligated with respect to, receivables, bank accounts, evidences of debt, securities, salaries, wages, commissions, compensation or other intangible personal property subject to such warrant, ordering such third person to forthwith deliver such property or pay the amount due or payable to the state collection agency that has made out such warrant, provided such warrant may be issued only after the state collection agency making out such warrant has notified the person owning such property, in writing, of its intention to issue such warrant. The notice of intent shall be: (A) Given in person; (B) left at the dwelling or usual place of business of such person; or (C) sent by certified mail, return receipt requested, to such person's last known address, not less than thirty days before the day the warrant is to be issued.

(2) Any such warrant on any intangible personal property of any person may be served by electronic mail or facsimile machine on any third person in possession of, or obligated with respect to, receivables, bank accounts, evidences of debt, securities, salaries, wages, commissions, compensation or other intangible personal property subject to such warrant, ordering such third person to forthwith deliver such property or pay the amount due or payable to the state collection agency that has made out such warrant, provided such warrant may be issued only after the state collection agency making out such warrant has notified the person owning such property, in writing, of its intention to issue such warrant. The notice of intent shall be: (A) Given in person; (B) left at the dwelling or usual place of business of such person; or (C) sent by certified mail, return receipt requested, to such person's last-known address, not less than thirty days before the day the warrant is to be issued. Any such warrant for tax due may further include an order to such third person to continually deliver, during the one hundred eighty days immediately following the date of issuance of the warrant or until the tax is fully paid, whichever occurs earlier, all intangible personal property that is due and that becomes due to the person owing the tax. Except as otherwise provided in this subdivision, such warrant shall have the same force and effect as an execution issued pursuant to chapter 906.

(c) The Commissioner of Revenue Services may not collect a tax after ten years from the date the tax was reported on a return that was filed with said commissioner, except as otherwise provided herein. If the Commissioner of Revenue Services makes an assessment of any tax within the statute of limitations applicable to the period for which said assessment was made, the tax that is the subject of said assessment may not be collected after ten years from the date the assessment became final, except



as otherwise provided herein. Any taxes that remain unpaid after the applicable ten year period shall be deemed to be abated as of the first day of the eleventh year succeeding the date the return was filed or the date the assessment became final. This subsection shall not apply to any taxes for which the Commissioner of Revenue Services has entered into an agreement under the provisions of sections 12-2d or 12-2e of the general statutes or any taxes which have been secured by the recording of a lien on the real or personal property of a taxpayer.

Sec. 13. (NEW) (*Effective upon passage*) (a) The Commissioner of Revenue Services is authorized to sell qualifying outstanding tax liabilities to any consumer collection agency that is licensed under the provisions of section 36a-801 and that is in compliance with the provisions of chapter 669. To purchase qualifying outstanding tax liabilities, any eligible consumer collection agency may submit an application to the commissioner containing such information as the commissioner determines is necessary for the commissioner to verify the eligibility of such agency and to effectuate the sale of the qualifying outstanding tax liabilities. Upon evaluation of the applications, and if the commissioner determines that it is in the best interest of the state to do so, the commissioner may enter into agreements necessary to effectuate the sale of said qualifying outstanding tax liabilities to a consumer collection agency. Any qualifying outstanding tax liabilities purchased by a consumer collection agency shall be deemed to have been satisfied and the monies received by the commissioner therefrom shall be applied in accordance with subsection (i) hereof.

(b) Any consumer collection agency that has purchased qualifying outstanding tax liabilities may pursue collections of said liabilities for no more than six years after the date of sale.

(c) Notwithstanding the provisions section 12-15 of the general statutes, the commissioner may disclose to a consumer collection agency that purchases qualifying outstanding tax liabilities such information as the commissioner deems is necessary for said agency to pursue collection of said liabilities. Any information so disclosed may not be redisclosed by the consumer collection agency, except as necessary for said agency to pursue collection of said liabilities.

(d) The agreement provided for in subsection (a) shall constitute prima facie evidence that the consumer collection agency is the bona fide purchaser of the qualifying outstanding tax liabilities identified in the agreement. The provisions of subsection (c) of section 36a-813 shall not apply to the commissioner.

(e) Qualifying outstanding tax liabilities purchased under the provisions of this section may not be resold or otherwise reassigned.

(f) A consumer collection agency that purchases qualifying outstanding tax liabilities shall not be deemed to be a "state collection agency" for purposes of section 12-35 of the general statutes by virtue of its purchase of qualifying outstanding tax liabilities and may not hold itself out as such. Moreover, any consumer collection agency that purchases qualifying outstanding tax liabilities shall not hold itself out to be or in any way represent that it is affiliated with or authorized to act on behalf of the commissioner or the State of Connecticut.

(g) For purposes of this section, the term "qualifying outstanding tax liabilities" means and includes any taxes due to the commissioner which have been eligible for collections under section 12-



35 of the general statutes for not less than three years. The term “qualifying outstanding tax liabilities” excludes the following: (1) taxes that are the subject of litigation, a criminal investigation, wage garnishment, lien, or other tax warrant and (2) taxes that are the subject of a settlement agreement, active payment plan, or offer of compromise for which the taxpayer has not defaulted. For purposes of this section, the term “consumer collection agency” shall have the same meaning as provided in subsection (3) of section 36a-800.

(h) Nothing in this section shall require the commissioner to sell qualifying outstanding tax liabilities. The decision to sell any qualifying outstanding tax liabilities shall be at the sole discretion of the commissioner.

(i) The monies that the commissioner receives from the sale of qualifying outstanding tax liabilities shall be deemed to have been applied against the accounts of the taxpayers who owed said liabilities and shall be deposited into the State’s general fund in a manner that is consistent therewith.

Sec. 14. Section 12-35h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective upon passage*):

(a) The Commissioner of Revenue Services may enter into agreements with collections agencies and attorneys for collections services for the purposes of collecting a taxpayer’s unpaid taxes and penalties and interest thereon, which services may be performed both within and without this state. Said services may include bringing suit in the name of this state in the appropriate court of any other state to collect any tax legally due this state. The courts shall recognize and enforce liabilities for taxes similar to the taxes imposed by this state and lawfully imposed by any other state, or political subdivision thereof, which extends a like comity to this state, and the duly authorized officer of any other state or political subdivision thereof, may sue for the collection of such taxes in the courts of this state. A certificate by the Secretary of the State of such other state that the officer suing for the collection of such a tax is duly authorized to collect the same shall be conclusive proof of such authority. A certificate by the Commissioner of Revenue Services that the tax of such other state or political subdivision thereof is similar to a tax imposed by this state shall be prima facie evidence of such similarity. For the purposes of this section, the words “tax” and “taxes” shall include interest and penalties due under any taxing statute, and liability for such interest or penalties, or both, due under a taxing statute of another state or political subdivision thereof shall be recognized and enforced by the courts of this state to the same extent that the laws of such other state permit the enforcement in its courts of liability for such interest or penalties, or both, due under the tax laws of this state or any political subdivision thereof.

(b) When an agreement has been entered into either by the state for the Commissioner of Revenue Services or by said Commissioner with a collection agency or attorney for the purpose of collecting a taxpayer’s unpaid taxes and penalties and interest thereon, the account of the taxpayer shall be credited with the amounts of such unpaid taxes, penalties and interest actually collected by the collection agency or attorney before such amounts are reduced by the compensation paid by the commissioner to, or retained by, the collection agency or attorney for collection services provided pursuant to such agreement.



Sec. 15. Subdivision (9) of section 53a-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective upon passage*):

(9) "Peace officer" means a member of the Division of State Police within the Department of Emergency Services and Public Protection or an organized local police department, a chief inspector or inspector in the Division of Criminal Justice, a state marshal while exercising authority granted under any provision of the general statutes, a judicial marshal in the performance of the duties of a judicial marshal, a conservation officer or special conservation officer, as defined in section 26-5, a constable who performs criminal law enforcement duties, a special policeman appointed under section 29-18, 29-18a, 29-18b, as amended by this act, or 29-19, an adult probation officer, an official of the Department of Correction authorized by the Commissioner of Correction to make arrests in a correctional institution or facility, any investigator in the investigations unit of the office of the State Treasurer, an inspector of motor vehicles in the Department of Motor Vehicles, who is certified under the provisions of sections 7-294a to 7-294e, inclusive, a United States marshal or deputy marshal, any special agent of the federal government authorized to enforce the provisions of Title 21 of the United States Code, or a member of a law enforcement unit of the Mashantucket Pequot Tribe or the Mohegan Tribe of Indians of Connecticut created and governed by a memorandum of agreement under section 47-65c who is certified as a police officer by the Police Officer Standards and Training Council pursuant to sections 7-294a to 7-294e, inclusive;

Sec. 16. Subsection (b) of section 53a-19 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) Notwithstanding the provisions of subsection (a) of this section, a person is not justified in using deadly physical force upon another person if he or she knows that he or she can avoid the necessity of using such force with complete safety (1) by retreating, except that the actor shall not be required to retreat if he or she is in his or her dwelling, as defined in section 53a-100, or place of work and was not the initial aggressor, or if he or she is a peace officer [or a special policeman appointed under section 29-18b,] or a private person assisting such peace officer [or special policeman] at his or her direction, and acting pursuant to section 53a-22, as amended by this act, or (2) by surrendering possession of property to a person asserting a claim of right thereto, or (3) by complying with a demand that he or she abstain from performing an act which he or she is not obliged to perform.

Sec. 17. Section 53a-22 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section, a reasonable belief that a person has committed an offense means a reasonable belief in facts or circumstances which if true would in law constitute an offense. If the believed facts or circumstances would not in law constitute an offense, an erroneous though not unreasonable belief that the law is otherwise does not render justifiable the use of physical force to make an arrest or to prevent an escape from custody. A peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Paroles who is effecting an arrest pursuant to a warrant or preventing an escape from custody is justified in using the physical force prescribed in subsections (b) and (c) of this section unless such warrant is invalid and is known by such officer to be invalid.



(b) Except as provided in subsection (a) of this section, a peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Paroles is justified in using physical force upon another person when and to the extent that he or she reasonably believes such to be necessary to: (1) Effect an arrest or prevent the escape from custody of a person whom he or she reasonably believes to have committed an offense, unless he or she knows that the arrest or custody is unauthorized; or (2) defend himself or herself or a third person from the use or imminent use of physical force while effecting or attempting to effect an arrest or while preventing or attempting to prevent an escape.

(c) A peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Paroles is justified in using deadly physical force upon another person for the purposes specified in subsection (b) of this section only when he or she reasonably believes such to be necessary to: (1) Defend himself or herself or a third person from the use or imminent use of deadly physical force; or (2) (A) effect an arrest of a person whom he or she reasonably believes has committed or attempted to commit a felony which involved the infliction or threatened infliction of serious physical injury, or (B) prevent the escape from custody of a person whom he or she reasonably believes has committed a felony which involved the infliction or threatened infliction of serious physical injury and if, where feasible under this subdivision, he or she has given warning of his or her intent to use deadly physical force.

(d) Except as provided in subsection (e) of this section, a person who has been directed by a peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Paroles to assist such peace officer [, special policeman] or official to effect an arrest or to prevent an escape from custody is justified in using reasonable physical force when and to the extent that he or she reasonably believes such to be necessary to carry out such peace officer's [, special policeman's] or official's direction.

(e) A person who has been directed to assist a peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Paroles under circumstances specified in subsection (d) of this section may use deadly physical force to effect an arrest or to prevent an escape from custody only when: (1) He or she reasonably believes such to be necessary to defend himself or herself or a third person from what he or she reasonably believes to be the use or imminent use of deadly physical force; or (2) he or she is directed or authorized by such peace officer [,special policeman] or official to use deadly physical force, unless he or she knows that the peace officer [, special policeman] or official himself or herself is not authorized to use deadly physical force under the circumstances.

(f) A private person acting on his or her own account is justified in using reasonable physical force upon another person when and to the extent that he or she reasonably believes such to be necessary to effect an arrest or to prevent the escape from custody of an arrested person whom he or she reasonably believes to have committed an offense and who in fact has committed such offense; but he or she is not justified in using deadly physical force in such circumstances, except in defense of person as prescribed in section 53a-19, as amended by this act.



Sec. 18. Section 53a-22 of the general statutes, as amended by section 29 of public act 20-1 of the July special session and sections 1 and 2 of 412 public act 21-4, is repealed and the following is substituted in lieu thereof (*Effective January 1, 2022*):

(a) (1) For purposes of this section, a reasonable belief that a person has committed an offense means a reasonable belief in facts or circumstances which if true would in law constitute an offense. If the believed facts or circumstances would not in law constitute an offense, an erroneous though not unreasonable belief that the law is otherwise does not render justifiable the use of physical force to make an arrest or to prevent an escape from custody.

(2) A peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Paroles who is effecting an arrest pursuant to a warrant or preventing an escape from custody is justified in using the physical force prescribed in subsections (b), (c) and (d) of this section unless such warrant is invalid and is known by such officer to be invalid.

(b) Except as provided in subsection (a) or (d) of this section, a peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Paroles is justified in using physical force upon another person when and to the extent that he or she reasonably believes such use to be necessary to: (1) Effect an arrest or prevent the escape from custody of a person whom he or she reasonably believes to have committed an offense, unless he or she knows that the arrest or custody is unauthorized; or (2) defend himself or herself or a third person from the use or imminent use of physical force while effecting or attempting to effect an arrest or while preventing or attempting to prevent an escape.

(c) (1) Except as provided in subsection (d) of this section, a peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Paroles is justified in using deadly physical force upon another person for the purposes specified in subsection (b) of this section only when his or her actions are objectively reasonable under the given circumstances at that time, and:

(A) He or she reasonably believes such use to be necessary to defend himself or herself or a third person from the use or imminent use of deadly physical force; or

(B) He or she (i) has reasonably determined that there are no available reasonable alternatives to the use of deadly physical force, (ii) reasonably believes that the force employed creates no unreasonable risk of injury to a third party, and (iii) reasonably believes such use of force to be necessary to (I) effect an arrest of a person whom he or she reasonably believes has committed or attempted to commit a felony which involved the infliction of serious physical injury, and if, where feasible, he or she has given warning of his or her intent to use deadly physical force, or (II) prevent the escape from custody of a person whom he or she reasonably believes has committed a felony which involved the infliction of serious physical injury and who poses a significant threat of death or serious physical injury to others, and if, where feasible, he or she has given warning of his or her intent to use deadly physical force.

(2) For purposes of evaluating whether actions of a peace officer [,special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons



and Pardons are reasonable under subdivision (1) of this subsection, factors to be considered include, but are not limited to, whether (A) the person upon whom deadly physical force was used possessed or appeared to possess a deadly weapon, (B) the peace officer [, special policeman appointed under section 29-18b] or authorized official of the Department of Correction or the Board of Pardons and Pardons engaged in reasonable deescalation measures prior to using deadly physical force, and (C) any unreasonable conduct of the peace officer [, special policeman appointed under section 29-18b] or authorized official of the Department of Correction or the Board of Pardons and Pardons led to an increased risk of an occurrence of the situation that precipitated the use of such force.

(d) A peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Pardons is justified in using a chokehold or other method of restraint applied to the neck area or that otherwise impedes the ability to breathe or restricts blood circulation to the brain of another person for the purposes specified in subsection (b) of this section only when he or she reasonably believes such use to be necessary to defend himself or herself from the use or imminent use of deadly physical force.

(e) Except as provided in subsection (f) of this section, a person who has been directed by a peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Pardons to assist such peace officer [, special policeman] or official to effect an arrest or to prevent an escape from custody is justified in using reasonable physical force when and to the extent that he or she reasonably believes such to be necessary to carry out such peace officer's [, special policeman's] or official's direction.

(f) A person who has been directed to assist a peace officer [, special policeman appointed under section 29-18b] or an authorized official of the Department of Correction or the Board of Pardons and Pardons under circumstances specified in subsection (e) of this section may use deadly physical force to effect an arrest or to prevent an escape from custody only when: (1) He or she reasonably believes such use to be necessary to defend himself or herself or a third person from what he or she reasonably believes to be the use or imminent use of deadly physical force; or (2) he or she is directed or authorized by such peace officer [, special policeman] or official to use deadly physical force, unless he or she knows that the peace officer [, special policeman] or official himself or herself is not authorized to use deadly physical force under the circumstances.

(g) A private person acting on his or her own account is justified in using reasonable physical force upon another person when and to the extent that he or she reasonably believes such use to be necessary to effect an arrest or to prevent the escape from custody of an arrested person whom he or she reasonably believes to have committed an offense and who in fact has committed such offense; but he or she is not justified in using deadly physical force in such circumstances, except in defense of person as prescribed in section 53a-19, as amended by this act.

Sec. 19. Section 53a-23 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):



A person is not justified in using physical force to resist an arrest by a reasonably identifiable peace officer, [or special policeman appointed under section 29-18b,] whether such arrest is legal or illegal.

Sec. 20. Section 53a-167a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) A person is guilty of interfering with an officer when such person obstructs, resists, hinders or endangers any peace officer [, special policeman appointed under section 29-18b] or firefighter in the performance of such peace officer's [, special policeman's] or firefighter's duties.

(b) Interfering with an officer is a class A misdemeanor, except that, if such violation causes the death or serious physical injury of another person, such person shall be guilty of a class D felony.

Sec. 21. Section 53a-167b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) A person is guilty of failure to assist a peace officer [, special policeman] or firefighter when, commanded by a peace officer [, special policeman appointed under section 29-18b] or firefighter authorized to command assistance, such person refuses to assist such peace officer [, special policeman] or firefighter in the execution of such peace officer's [, special policeman's] or firefighter's duties.

(b) Failure to assist a peace officer [, special policeman] or firefighter is a class A misdemeanor.

Sec. 22. (NEW) (*Effective from passage*) (a) An affected business entity may elect to file a composite income tax return on behalf of each nonresident individual who is a member of such affected business entity, subject to the requirements and conditions the commissioner may prescribe in the form and instructions for such return. Such election shall be made by the due date, or extended due date, of the affected business entity's return under chapter 228z.

(b) If an affected business entity elects to file a composite income tax return pursuant to this section, the affected business entity shall pay to the commissioner the tax, as calculated under subsection (c), plus interest and penalties thereon, on behalf of each nonresident individual member of such affected business entity. Any such payment made by an affected business entity to the commissioner with respect to any taxable period shall be considered to be a payment by such nonresident member for the tax imposed on such nonresident member under chapter 229 of the general statutes for such taxable period.

(c) The composite income tax due on behalf of each nonresident individual member shall equal (A) such member's distributive share of the affected business entity's items derived from or connected with sources within this state as calculated under subdivision (1) of subsection (c) of section 12-699 multiplied by the highest marginal rate in effect under section 12-700 for the taxable year, less (B) the credit allowed to such nonresident individual member pursuant to subdivision (1) of subsection (g) of



section 12-699 with respect to the affected business entity. In no event shall an amount due on behalf of a nonresident individual member be less than zero. Such composite income tax shall be due at the same time, and subject to interest and penalties, as if such tax were a tax due from the affected business entity under section 12-699.

(d) (1) If income from one or more affected business entities that each elect to file a composite income tax return pursuant to this section is the only source of income derived from or connected with Connecticut sources of a nonresident individual member, or the member and his or her spouse if a joint federal income tax return is or shall be made, the filing by the affected business entity of the composite income tax return and the payment by the affected business entity on behalf of the member of the tax prescribed under this section shall satisfy the filing and payment requirements otherwise separately imposed on the member by chapter 229. The commissioner may make any deficiency assessment against, at the commissioner's sole discretion, either the affected business entity or the member, provided any such assessment against the member shall be limited to the member's share thereof. Except as otherwise provided in section 12-733, any such assessment shall be made not later than three years after the affected business entity's annual return pursuant to section 12-699 is filed.

(2) If income from one or more affected business entities that each elect to file a composite income tax return pursuant to this section is not the only source of income derived from or connected with Connecticut sources of a nonresident individual member, or the member and his or her spouse if a joint federal income tax return is or shall be made, nothing in this section shall be construed as excusing the member from the obligation to file his or her own separate tax return under chapter 229. In such event, the member shall receive credit for the composite income tax paid under this section by the affected business entity on his or her behalf. The commissioner may make any deficiency assessment that is related to the member's distributive share of income from the affected business entity against either, in the commissioner's sole discretion, the affected business entity or the member. If the commissioner chooses to make any deficiency assessment against the affected business entity, then, except as otherwise provided in section 12-733, any such assessment shall be made not later than three years after the affected business entity's annual return pursuant to section 12-699 is filed.

Sec. 23. Subsection (c) of section 12-391 of the general statutes is amended by adding subdivision (4) as follows (*Effective October 1, 2022*):

(NEW) (4) "Federal basic exclusion amount" means the dollar amount published annually by the Internal Revenue Service at which a decedent would be required to file a federal estate tax return based on the value of the decedent's gross estate and federally taxable gifts.

Sec. 24. Subparagraph (J) of subdivision (3) of subsection (b) of section 12-392 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2022*):

(J) A tax return shall be filed, in the case of every decedent who dies on or after January 1, 2023, and at the time of death was (i) a resident of this state, or (ii) a nonresident of this state whose gross estate includes any real property situated in this state or tangible personal property having an actual situs



in this state. If the decedent's Connecticut taxable estate is over [five million four hundred ninety thousand dollars] the federal basic exclusion amount, such tax return shall be filed with the Commissioner of Revenue Services and a copy of such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated. If the decedent's Connecticut taxable estate is equal to or less than [five million four hundred ninety thousand dollars] the federal basic exclusion amount, such return shall be filed with the court of probate for the district within which the decedent resided at the date of his or her death or, if the decedent died a nonresident of this state, the court of probate for the district within which such real property or tangible personal property is situated, and no such return shall be filed with the Commissioner of Revenue Services. The judge of probate for the district in which such return is filed shall review each such return and shall issue a written opinion to the estate representative in each case in which the judge determines that the estate is not subject to tax under this chapter.

Sec. 25. Section 12-643 of the general statutes is amended by adding subdivision (4) as follows (*Effective October 1, 2022*):

(NEW) (4) "Federal basic exclusion amount" means the dollar amount published annually by the Internal Revenue Service over which a donor would owe federal gift tax based on the value of the donor's federally taxable gifts.

Sec. 26. Section 12-39o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section, "license" means (1) any license issued by the commissioner pursuant to the provisions of chapter 214, (2) any license issued by the commissioner pursuant to the provisions of section 12-330b, or (3) a seller's permit issued by the commissioner pursuant to section 12-409. For purposes of this section, "related person" means (1) an individual, corporation, partnership, association or trust that is in control of such person; (2) a corporation, partnership, association or trust controlled by such person; (3) a corporation, partnership, association or trust controlled by an individual, corporation, partnership, association or trust that is in control of such person; (4) or a member of the same controlled group as such person. For purposes of this section, "control," with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such corporation entitled to vote; with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of such section.

(b) (1) Prior to issuing or renewing the license of any person, the commissioner may determine whether such person has failed to file any returns required to be filed with the commissioner by such person. If the commissioner determines that such person has failed to file any required returns, the



commissioner shall not issue a license to, or renew the license of, such person until such person files all outstanding returns or makes an arrangement satisfactory to the commissioner to file all outstanding returns.

(2) Prior to issuing or renewing the license of any person, the commissioner may determine whether any related person has failed to file any returns required to be filed with the commissioner. If the commissioner determines that such related person has failed to file any required returns, the commissioner shall not issue a license to, or renew the license of, such person until such related person files all outstanding returns or makes an arrangement satisfactory to the commissioner to file all outstanding returns.

(c) (1) Prior to issuing or renewing the license of any person, the commissioner may determine whether such person owes taxes to this state, which taxes are finally due and payable and with respect to which any administrative or judicial remedies, or both, have been exhausted or have lapsed. If the commissioner determines that such person owes such taxes, the commissioner shall not issue a license to, or renew the license of, such person, until such person pays such taxes, or makes an arrangement satisfactory to the commissioner to pay such taxes.

(2) Prior to issuing or renewing the license of any person, the commissioner may determine whether any related person owes taxes to this state, which taxes are finally due and payable and with respect to which any administrative or judicial remedies, or both, have been exhausted or have lapsed. If the commissioner determines that such related person owes such taxes, the commissioner shall not issue a license to, or renew the license of, such person, until such related person pays such taxes, or makes an arrangement satisfactory to the commissioner to pay such taxes.

Sec. 27. (NEW) (*Effective from passage*) (a) The Commissioner of Revenue Services shall review the provisions of the income tax set forth in chapter 229 of the general statutes and identify any legislative changes to said chapter that would improve the application of said tax in determining the residency of individuals thereunder. The commissioner may consult with any individuals, businesses, and state agencies the commissioner deems necessary or appropriate to accomplish the purposes of the study. The commissioner may also enter into a contract with any public or private entity for the purpose of preparing the report required pursuant to this section.

(b) Not later than January 1, 2023, the commissioner shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, on the commissioner's findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

Sec. 28. (NEW) (*Effective from passage*) (a) The Commissioner of Revenue Services shall study each tax and fee that the commissioner is statutorily responsible for administering to determine the overall effectiveness of each tax and fee and identify any legislative changes that may be made to improve the administration of each said tax and fee. Said study shall include information as to the amount of revenue generated by each such tax and fee for the most recent year for which the



commissioner has complete records and the costs incurred by the commissioner in his administration of each such tax and fee for said year. The commissioner may consult with any individuals, businesses and state agencies the commissioner deems necessary or appropriate to accomplish the purposes of the study. The commissioner may also enter into a contract with any public or private entity for the purpose of preparing the report required pursuant to this section.

(b) Not later than January 1, 2023, the commissioner shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, on the commissioner's findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

Sec. 29. Subsection (d) of section 12-704c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) (1) Notwithstanding the provisions of subsections (b) and (c) of this section, for taxable years commencing on or after January 1, [2021] 2023, for any taxpayer who paid the conveyance tax on real property at the rate prescribed by subparagraph (C)(ii) of subdivision (2) of subsection (b) of section 12-494, the credit allowed under this section shall not exceed thirty-three and one-third per cent of the amount of the conveyance tax paid [at such rate] in excess of one and one-quarter per cent on that portion of the consideration taxed under section 12-494 that is in excess of eight hundred thousand dollars, in each of the three taxable years [next succeeding the second] beginning with the third taxable year after the taxable year in which such conveyance tax was paid. For any taxable year such taxpayer claims the credit or portion thereof under this subsection, such credit shall be in lieu of any credit such taxpayer may be eligible to claim under subsection (b) or (c) of this section.

(2) If any credit allowed under this subsection or portion thereof is not used because the amount of the credit exceeds the tax due and owing by the taxpayer or the amount of property tax paid by the taxpayer, the unused amount may be carried forward to each of the successive taxable years until such amount is fully taken, except that in no event may any amount of the credit be carried forward for a period of more than six taxable years.